

This is not an ADB material. The views expressed in this document are the views of the author/s and/or their organizations and do not necessarily reflect the views or policies of Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy and/or completeness of the material's contents, and accepts no responsibility for any direct or indirect consequence of their use or reliance, whether wholly or partially. Please feel free to contact the authors should you have queries.

# Mobilizing finance for green projects in the Philippines

**Paola Sherina A. Alvarez**

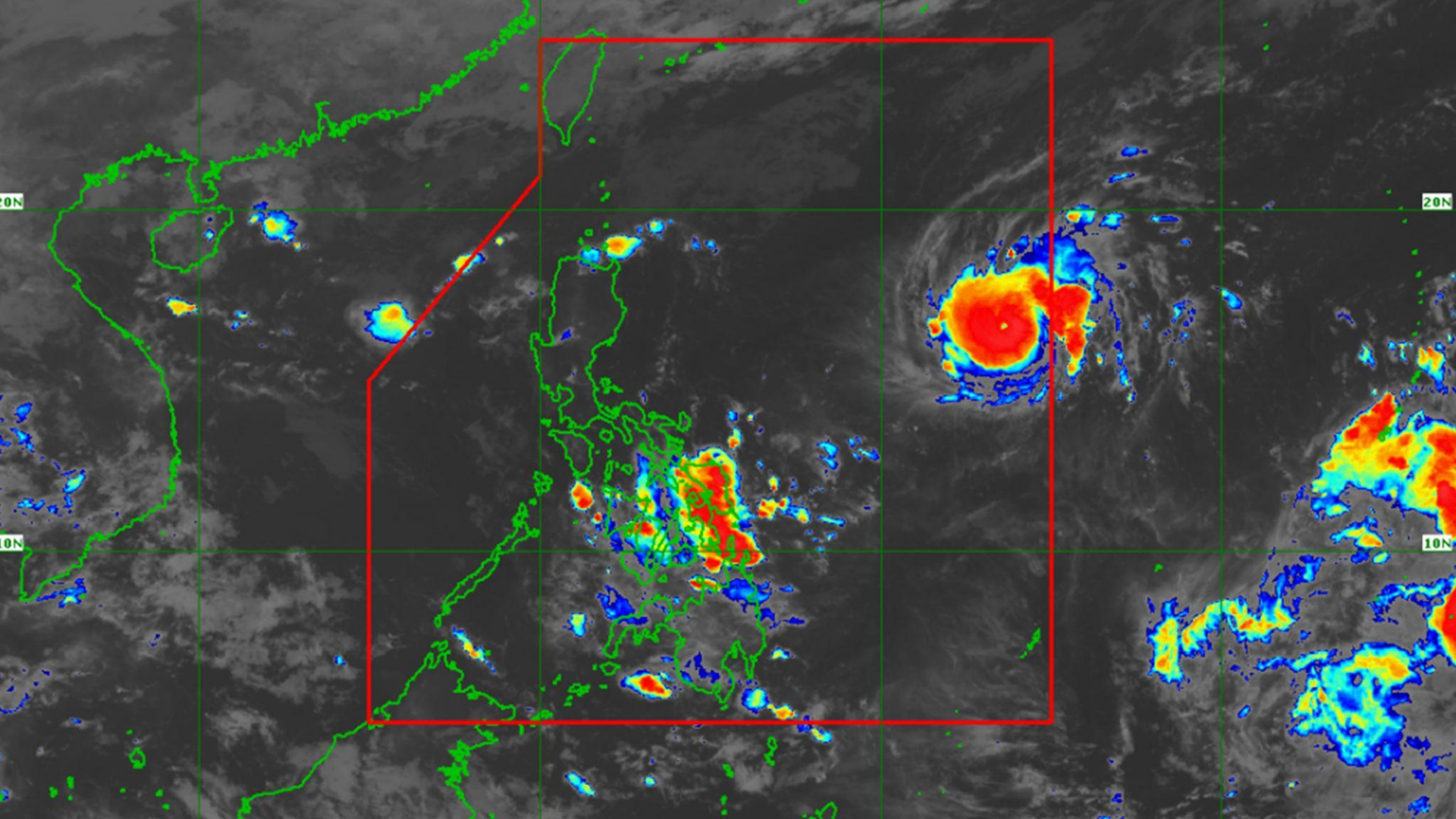
Assistant Secretary and Spokesperson  
Department of Finance - Philippines



The PH government is aggressively **advocating for the protection of the environment and of the management of its resources.**

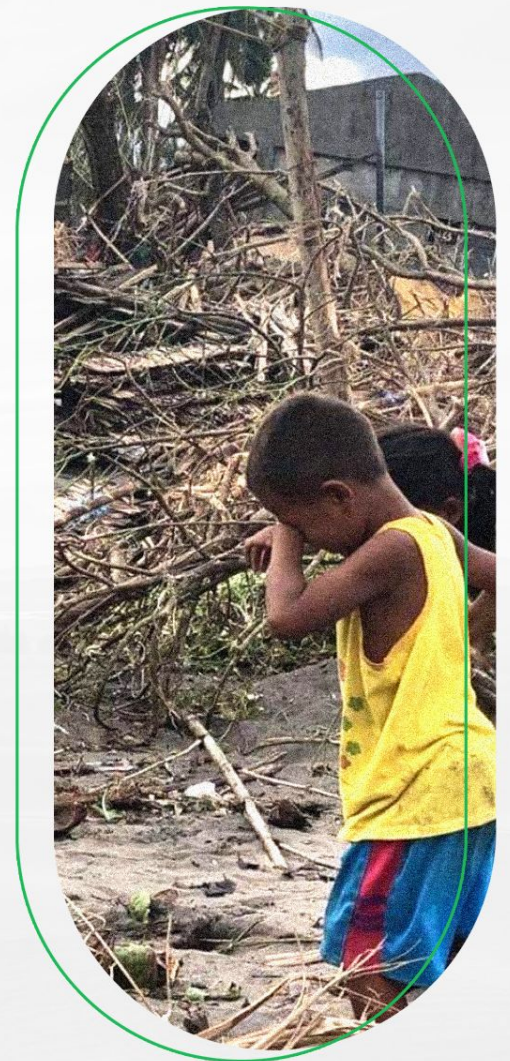






**The number and the severity of typhoons are becoming greater.**

The Philippines' typhoon season has actually moved, further **disrupting economic and social life in the country.**







# Climate change in the Philippines

On a long term average basis, the Philippines is expected to **incur PHP 177 billion (USD 3.6 billion) per year in losses to public and private assets** due to typhoons and earthquakes. In the next 50 years, the country has a **40% chance of experiencing a loss exceeding PHP 989 billion**, and a **20% chance of experiencing a loss exceeding PHP 1,525 billion**.

## Estimated cost to implement climate change mitigation

is at **USD 4.12B from 2015 to 2030**, not including the costs for the Philippines to reach its NDC goal of 75% GHG emissions reductions and avoidance.



Our vulnerability not only highlights the need to **adapt to the changing climate** but also pushes us to **become a world leader in the mitigation of carbon emissions and waste pollution.**







# 1st PH Nationally Determined Contribution (NDC)

Cumulative economy-wide **Greenhouse Gas (GHG) emission reduction and avoidance** from business-as-usual scenario of 75%

- **2.71%** unconditional
- **72.29%** condition
- Significantly higher than the 70-percent target provisionally indicated in 2015





# Moratorium for Greenfield Coal-fired Projects

1. New planned coal projects **will no longer** receive permits from the Department of Energy
2. Allows power stakeholders to prioritize:
  - a. Modern renewable energy
  - b. Storage projects that can deliver lower costs and price stability while delivering domestic energy security.
3. Makes clear the aim to shift investors to clean energy resources and green technologies



# Unique Opportunity in Mindanao

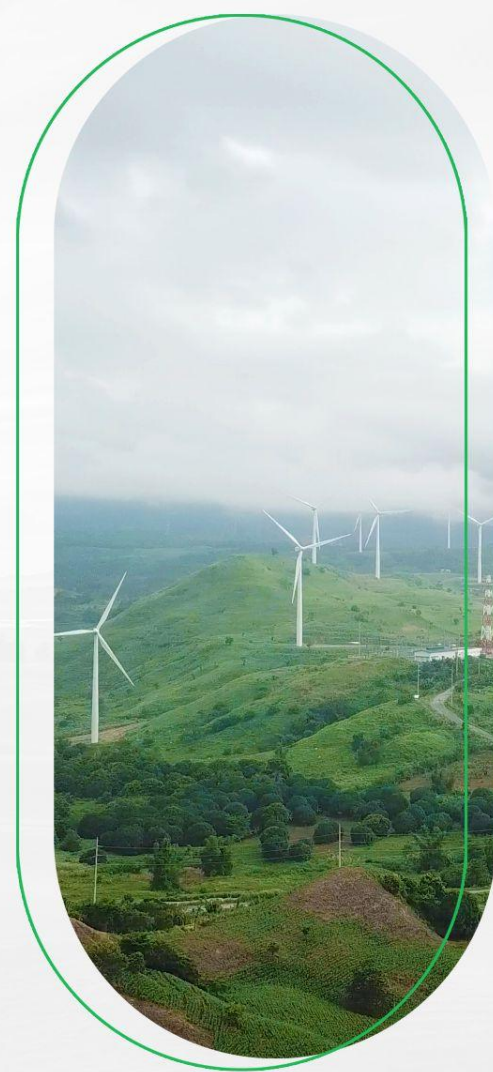
## **Agus-Pulangi hydropower plant**

- **Exploring a financial mechanism to improve its generating capacity**
- **Funded by buying back coal-fired power plants in the region**
  - Repurpose them to increase the capacity of renewable energy
  - Shift most of our energy requirements in Mindanao to hydropower
  - Eventually spur investments



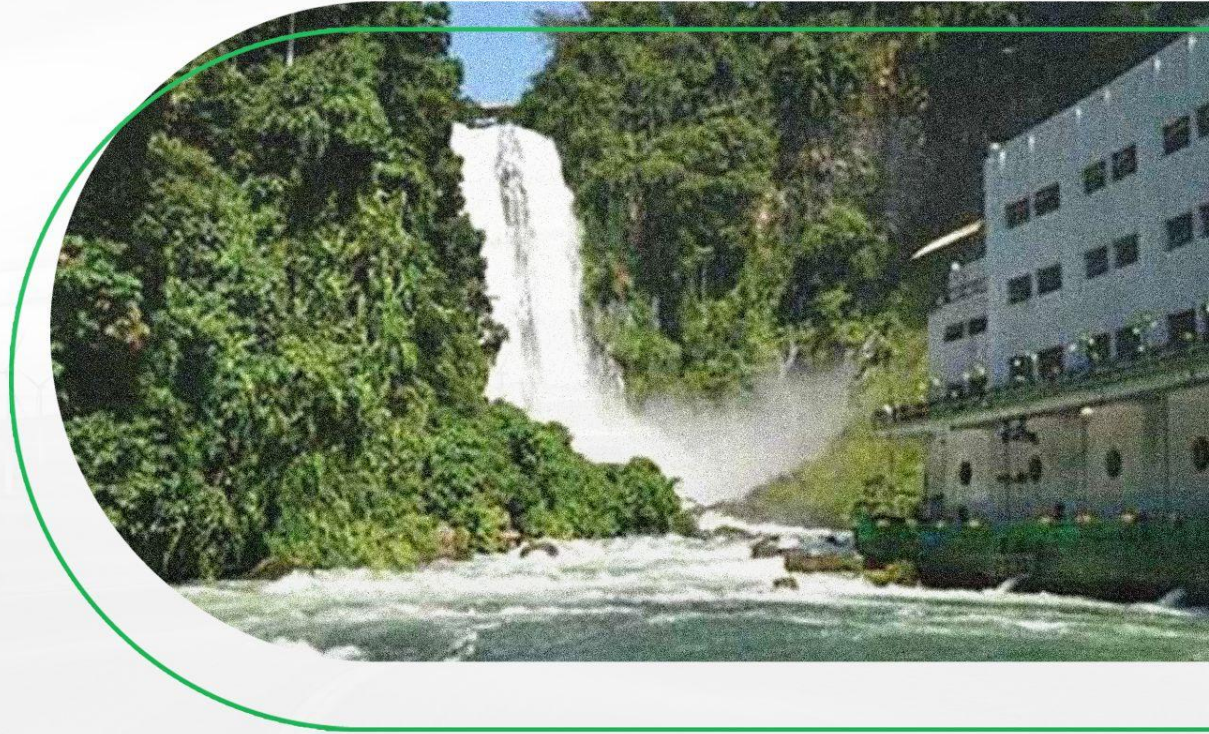
## **PH continues to spend efforts in mobilizing financing for green/sustainable projects through the ff:**

1. Establishment of the interagency TWG on sustainable finance (CCC Reso No. 2021-002)
2. Development of the Sustainable Finance Roadmap
3. Development of the NDC Financial Plan
4. Development of Green and Sustainable Bonds Standards (SEC Memorandum Circular No. 8)
5. Sustainable Finance Framework (BSP Circular No. 1085)





PH continues to  
spend efforts in  
**mobilizing  
financing for  
green/  
sustainable  
projects.**



# Green finance milestones



The BDO and BPI created **Sustainable Energy Finance (SEF) Desks**, which serves as the point-of-contact in evaluating and monitoring sustainable energy projects.

The **Bank of the Philippine Islands (BPI)** has also developed a **Green Finance Framework** and adopted voluntary reporting of sustainability performance. It has likewise established partnerships with experts to assess and address climate change risks.



# Green finance milestones



**RCBC** launched the issuance of the **P8 billion sustainability bonds** in June 2019, the first in the Philippines under the ASEAN Sustainability Bond Standards 2018. The bonds funded projects related to the following:



1. renewable energy
2. green buildings
3. clean transportation
4. energy efficiency
5. pollution prevention and control
6. sustainable water management
7. environmentally sustainable  
management  
of living natural resources and land use
8. affordable basic infrastructure
9. access to essential services
10. employment generation
11. affordable housing



# Green finance milestones



Aside from being on of the approved accessing entities of the Green Climate Fund (GCF), **Land Bank of the Philippines (LBP)** implemented the **Climate S.M.A.R.T. (Synergistic, Mitigation, Adaptation, Resiliency, and Transformation) Financing Program.**

**The Program provides the following lending facilities**

- (i) Carbon Finance Support Facility
- (ii) Renewable Energy Lending Program
- (iii) Go Green Inclusive Financing for SMEs and LGUs Program



# Green finance milestones



The **Development Bank of the Philippines (DBP)** has a **Green Financing Program (GFP)**, an umbrella program to support the Bank's strategic thrust of environmental protection and the country's green growth strategy.

## Designed primarily to:

1. assist strategic sectors, industries and LGUs in adapting environment friendly processes and technologies
2. incorporating climate change adaptation and mitigation and disaster risk reduction measures by providing financing and technical assistance.



## **We are ramping up our efforts to counter climate change.**



- Building capacity of LGUs for the formulation and implementation of green projects



- Deepen our financial markets to enable green financing to flourish



- Eliminate plastic pollution for a more sustainable environment



- Partner with UK government and Northern Ireland in facilitating green finance and energy efficiency



We undertake game-changing reforms to **rebuild a strong and inclusive economy** and **set the stage for a sustainable, greener, and healthier future** will enable the Philippines to thrive in the post-pandemic era.





# Let's be partners for change!



DOFPH



DOF\_PH



DOF\_PH



DOF.GOV.PH



DOF PH NEWS